

# Methodology of SSE State-owned Enterprises Green Bond

## Index Series

SSE State-owned Enterprises Green Bond Index Series select green bonds listed on the Shanghai Stock Exchange issued by state-owned enterprises with corresponding credit ratings as the index constituents, to reflect the overall performance of state-owned enterprises green bonds with target credit ratings.

### 1. Index Name and Index Code

Index Name	Shortened Name	Index Code
SSE State-owned Enterprises Green Bond Index	SSE SOEs Green Bond	950368
SSE AAA State-owned Enterprises Green Bond Index	SSE AAA SOEs Green Bond	950369
SSE High Grade State-owned Enterprises Green Bond Index	SSE High Grade SOEs Green Bond	950370

### 2. Base Date and Base Index

The index base date is Dec. 30, 2016. The base index is 100.

### 3. Index Eligibility

#### 3.1 Index Universe

- Bond Type: Green bond listed on Shanghai Stock Exchange, excluding ABS, private-placement bond and equity-linked bond. The bond currency is RMB.
- Issuer Nature: Central state-owned enterprises and local state-owned enterprises.
- Interest-bearing Pattern: Fixed rate or bullet.

#### 3.2 Constituents Selection

Within the index universe, select bonds whose credit ratings meet the following conditions as the index constituents.

Index Code	Shortened Name	Credit Rating
950368	SSE SOEs Green Bond	AA and above, CSI implied

		rating A and above
950369	SSE AAA SOEs Green Bond	AAA, CSI implied rating AA+ and above
950370	SSE High Grade SOEs Green Bond	AA+ and above, CSI implied rating AA and above

#### 4. Index Calculation

The calculation of this index series conforms to the Paasche weighted composite price index formula:

$$\text{Index} = \left[ \frac{\text{Bond Market Value} + \text{Coupon Payments}}{\text{Divisor}} \right] \times 100$$

Where,

$$\text{Bond Market Value} = \sum [(\text{Clean Price} + \text{Accrued Interest}) \times \text{Issued Amount}]$$

The price in index calculation is based on CSI bond valuation price. As for other data in index calculation and divisor adjustment, please refer to Index Calculation and Maintenance Methodology for further details.

#### 5. Constituents Adjustment

##### 5.1 Regular Adjustment

The index series is adjusted and rebalanced monthly. The effective date of monthly adjustment is the first trading day of each month. The data cutoff date of monthly adjustment is the second trading day before the effective date.

##### 5.2 Temporary Adjustment

In the event of delisting, the constituents will be removed from the index on the event effective date as appropriate. As for other events, please refer to Index Calculation and Maintenance Methodology for further details.